

Message Text

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PAGE 01 MANAMA 01105 221858Z
ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 L-03 /021 W
-----221902Z 130207 /50

R 221138Z MAY 77

FM AMEMBASSY MANAMA BAHRAIN
TO USDOC WASHINGTON DC
INFO SECSTATE WASHINGTON DC 4665
AMCONGEN DHAHRAN SAUDI ARABIA
AMEMBASSY JIDDA SAUDI ARABIA

UNCLAS MANAMA 1105

USDOC FOR CAGNE

STATE FOR NEA/ARP

E.O. 11652: N/A

TAGS : BEXP, BA, SA

SUBJECT : GENERAL ELECTRIC MEDICAL SYSTEMS DIVISION,
WAUKESHA, WISCONSIN AND GOB MINISTRY OF
HEALTH TENDER BOYCOTT PROVISIONS

1. EMBASSY WAS APPROACHED MAY 21 BY ABDULREHMAN AL-MAHMEED, OWNER OF WAEI PHARMACY (WTDR 11/74) FOR ASSISTANCE IN CLARIFYING FOLLOWING TO GE MEDICAL SYSTEMS DIVISION.
 2. GOB MINISTRY OF HEALTH HAS TENDERED FOR ALMOST ONE MILLION DOLLARS WORTH OF X-RAY EQUIPMENT FOR NEW, 800-BED GOVERNMENT HOSPITAL. BECAUSE OF INTERNAL DISPUTES IN THE MINISTRY BETWEEN BACKERS OF PHILIPS AND SEIMENS PRODUCTS, AND AFTER PERSONAL INTERVENTION OF MINISTER WHO CONTACTED SAUDI AND KUWAITI COUNTERPARTS WHO ARE FINANCING THE PURCHASE, GOB HAS DECIDED TO BUY GENERAL ELECTRIC PRODUCTS (DESPITE THE FACT THE GE WAS NOT ONE OF ORIGINAL GROUP OF TENDERERS).
 3. AL-MAHMEED TELEXED GE DIVISION AND HAS RECEIVED NEGATIVE RESPONSE FROM MS. JANINE BARRE BECAUSE OF THE INSTRUCTIONS TO TENDERERS REGARDING THE ARAB BOYCOTT PROVISIONS IN THE TENDER DOCUMENTS. AL-MAHMEED ASSURES US THAT ALL HE NEEDS IN LETTER OF CREDIT AND SHIPPING DOCUMENTS IS POSITIVE STATEMENT OF ORIGIN OF EQUIPMENT
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INVOLVED. HE WILL MANAGE THE REST WITH THE GOB.

4. GE FURTHER STATED IN ITS MOST RECENT TELEX THAT "WE ARE NOT READY TO HAVE RESIDENT ENGINEER IN BAHRAIN (FYI: ONE OF THE STIPULATIONS OF THE TENDER). WE ARE STRENGTHENING OUR POSITION IN SAUDI ARABIA AND DO NOT WISH TO BEGIN NEW IMPLANTATION BEFORE ONE IS FINISHED".
5. ACTION REQUESTED: WE WOULD BE VERY APPRECIATIVE

IF CAGNE WOULD DIRECTLY CONTACT GE (TELEPHONE 414-544-3782 OR TELEX 269679), EITHER MS. BARRE OR HER SUPERIOR AND EXPLAIN THAT THE BOYCOTT PROVISIONS ARE MANAGEABLE IN BAHRAIN UNLESS GE HAS SOME REASON TO HESITATE IN SUPPLYING POSITIVE CERTIFICATION OF ORIGIN OF THE EQUIPMENT IN QUESTION. SECONDLY, BAHRAINIS HAVE TURNED TO GE BECAUSE OF DIRECT SUGGESTION FROM SAUDI AND KUWAITI AUTHORITIES, WHO ARE FUNDING PROJECT, THAT THEY DO SO. THIRDLY, THAT QUESTION OF RESIDENT ENGINEER IS ALSO PROBABLY MANAGEABLE AS LONG AS GE TEAM IN SAUDI ARABIA IS LARGE AND FLEXIBLE ENOUGH TO ALLOW FOR OCCASIONAL VISITS TO NEARBY BAHRAIN.

6. COMMENT: NEEDLESS TO SAY, EMBASSY INTEREST IN PROMOTING COMMERCIAL SALE IS INTENSE. CLOSE TO ONE MILLION DOLLAR FIGURE IS MAJOR SALE IN BAHRAIN AND SHOULD BE ATTRACTIVE TO GE AS WELL. IN THE PAST ALL MAJOR HOSPITAL EQUIPMENT HAS BEEN OF UK OR EUROPEAN ORIGIN. LONG TERM IMPACT OF THE BAHRAINI SALES IS ALSO OF INTEREST SINCE IT WILL BE THE EQUIPMENT ON WHICH STUDENTS FROM THE LOWER GULF STATES WILL BE TAUGHT AT THE NEW COLLEGE OF HEALTH SCIENCES, WHICH IS JOINTLY-SPONSORED BY THE STATES OF THE LOWER GULF (I.E., QATAR, UAE, AND OMAN).CLUVERIUS

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